

**STATE OF MARYLAND
COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM
ACTION PLAN AMENDMENT – DISASTER GRANT #2 Phase #4*
February 10, 2017
Approved by HUD on March 31, 2017**

On January 29, 2013, the U.S. Congress approved the Disaster Relief Appropriations Act which includes \$16 billion of Community Development Block Grant (CDBG-DR) funds. The funding is to be used for necessary expenses related to disaster relief, long-term recovery, restoration of infrastructure and housing, and economic revitalization in the most impacted and distressed areas from a major disaster declared pursuant to the Robert T. Stafford Disaster Relief and Emergency Assistance Act of 1974 (42 U.S.C. 5121 et seq.). The funding is to be used for recovery efforts due to Hurricane Sandy and other eligible events in calendar years 2011, 2012 and 2013. The funding was awarded by the U.S. Department of Housing and Urban Development (HUD) through several rounds.

The State of Maryland was notified it would receive \$20 million of CDBG-DR funds (identified hereafter as Disaster Grant #2) under the second round of awards to be used specifically for housing and economic recovery activities related to Hurricane Sandy pursuant to the Federal Register Notice FR-5696-N-01 published on March 5, 2013. The funding is being managed by the Maryland Department of Housing and Community Development (DHCD) through its Community Development Block Grant Office.

As required by HUD, the State submitted an Action Plan which is an Amendment to the State's Consolidated Plan. The Consolidated Plan is a five-year planning document required by HUD that sets out overall Statewide goals and priorities for housing, community development, and economic development activities. The Action Plan identified the planned use of the CDBG-DR funding, how it would be managed, and provided information required by HUD as to impact of the hurricane. The Action Plan also identified the method of distribution used by the State to determine what activities would be funded. The Action Plan is available for review at www.mdhousing.org under *CDBG Disaster Recovery Assistance*.

As allowed by HUD, the State submitted an Action Plan which only identified a specific amount of the available funding to be used and the activities to be undertaken. This was done partially due to capacity issues and partially for flexibility in order to shift funding to other needs that may be determined as recovery efforts are underway. The subsequent amendments to the Action Plan obligated additional funds and described projects and activities to be undertaken. Under Disaster Grant #2 Phase #1, the State obligated \$7,578,000 for a number of projects and activities in Allegany County, Charles County, Dorchester County, Garrett County and Somerset County. Under Grant #2 Phase #2, the State obligated \$2,350,000 of new funds for an on-going project in

Somerset County. Under Grant #2 Phase #3, the State obligated \$4,872,000 for one on-going project and two new projects in Somerset County.

AMENDMENT

At this time, the State amended the Action Plan again related to projects in Somerset County only. This amendment impacts one on-going project, adds one new project, and provides administrative funds for Somerset County and the State. It does not change or alter other information or requirements found in the Action Plan. There will be one additional amendment proposed for the remaining funds later in 2017.

As required by HUD, the State drafted the amendment to the Action Plan and made it available to the public for comment. At the end of the required 30 day public comment period, the State submitted the amendment to the Action Plan to HUD for approval. HUD staff had 60 days to review and approve it. It was approved on March 31, 2017.

Specifically, in the amendment, the State:

- Requested new funding for an existing project which has additional need;
- Approved a new project that had not been previously identified;
- Provided administrative funds for Somerset County; and
- Provided administrative funds for the State of Maryland.

A total of \$745,000 of new grant funds has been approved Phase 4.

GRANT #2 PHASE #4 ACTIVITIES <i>*For HUD Purposes, this is Round #7</i>	PARTIAL AMOUNT
Homeless Shelter	\$120,000
Fairmount Wastewater Plant Decommissioning - Engineering	\$225,000
Somerset County Project Administration Costs	\$200,000
State of Maryland General Administration Costs	\$200,000
TOTAL	\$745,000

Homeless Shelter

Under previous phases, a total of \$760,000 has been obligated for the construction of a homeless shelter in Princess Anne. This building replaces one that was damaged beyond repair during Hurricane Sandy. At this time, an additional \$120,000 is approved to undertake previously deferred components to complete the shelter.

ACTION STEP: Obligate \$120,000 under Phase 4 for an existing project.

Fairmount Wastewater Decommissioning

The wastewater plant in Fairmount was flooded during Hurricane Sandy and continues

to flood regularly during severe weather events. The continued potential for adverse environmental impacts has made it critical that the plant be upgraded or decommissioned. The more cost effective alternate is to decommission the plant and connect the users to a new line which will convey waste to the Town of Princess Anne's system. The Town's system extends to Westover and has sufficient capacity to serve Fairmount customers. The plant and system are owned and operated by the Somerset County Sanitary District who would continue to serve its customers after connection is made to the Princess Anne system.

The project would include engineering and design services, upgrade of pump stations, construction of a 5 mile line, the demolition of the plant, and the connection of the existing Fairmount users. The first phase is for engineering to finalize specifications and costs, initiate the permitting process, submit information to the Maryland Department of the Environment, and to prepare documents necessary to bid the construction activities.

Between Fairmount and Westover, there are approximately 40 households in Manokin that are currently on septic systems. During the engineering phase, it will be evaluated as to whether there is need to connect these houses to the line and the impact on the costs. An income survey will have to be conducted to determine whether the area would meet the CDBG eligibility requirements when combined with the existing system users. The community of Fairmount qualifies for CDBG funding based on their population information.

Upon completion of the engineering phase, the Action Plan will be amended again to obligate the construction funding. All project activities must be completed by August 2019 per the regulations which govern the CDBG Disaster funding.

Activity Type:	Public Infrastructure
National Objective:	Benefit to Low and Moderate Income Persons – Area Benefit
Beneficiaries:	490 Persons / 255 Low & Moderate Income Persons - 52% (This number is for existing users only. If income survey qualifies persons in Manokin, this number will be revised.)
Amount Proposed:	\$225,000 - Engineering Phase
Proposed Start Date:	March 2017
Address:	Fairmount
Project Description:	The engineering of a new conveyance wastewater line and decommissioning of existing wastewater plant.

Impact: Prevents future flooding of plant and eliminates harm to the environment.

Proposed Accomplishments: Improvements to infrastructure

ACTION STEP: Add Fairmount Wastewater Decommissioning for approval. Obligate new funding in the amount of \$225,000 for engineering phase.

Project Administration

Somerset County will use \$200,000 of grant funds for project administration costs associated with the administration of the grant. Funds will be used to pay for salaries, travel and other costs that are directly attributable to the projects undertaken with CDBG disaster funds.

ACTION STEP: Obligate new funding in the amount of \$200,000 for Somerset County project administration costs.

State Administrative Costs - \$200,000

The State will use \$200,000 of grant funds for general administration costs associated with administration of the grant. Funds will be used to pay for salaries and travel for staff directly involved with the administration of the grant. Additionally, funds will be used for indirect costs charged for other DHCD staff such as Finance processes and procedures.

ACTION STEP: Obligate new funding in the amount of \$200,000 for State administrative costs.

PUBLIC COMMENT

The draft of this plan was prepared by the Maryland Department of Housing and Community Development. It was posted on the DHCD website. As required by federal regulations, it was available for public comment for a 30 day period beginning on February 10, 2017 and ending on March 12, 2017. Notifications related to the plan and the hearings were published in *The Crisfield Times*, *The Somerset Herald* and *The Salisbury Daily Times* only as this Amendment only involves Somerset County.

Written comments were to be submitted via email to cindy.stone@maryland.gov or via mail to: Cindy Stone, Director, Office of Community Programs, DHCD, 7800 Harkins Road, Lanham, MD 20706. None were received.

Additionally, the State conducted two public hearings related to the proposed activities found within this amendment. The first hearing was held on Friday, February 17, 2017 at 2:30 p.m. at the DHCD Office Building in Lanham. No one attended the hearing.

The second hearing was held on Thursday, February 23, 2017 at the Somerset County Office Building, Room 111, in Princess Anne at 2:30 p.m. in conjunction with a meeting conducted by the Sanitary District Commission. The audience included 4 members of the Sanitary Commission, 2 Sanitary District staff, 4 County staff and 10 citizens. While there were some comments related the decommissioning of the plant, most were about the benefits to Manokin residents that are not currently connected to a public utility. The Sanitary District is in the process of evaluating sewer rates and costs which will provide more of the answers to the questions that were raised. Residents were told that the decision would have to be made soon to allow time for a survey, additional engineering and State approvals from the Maryland Department of the Environment. In concept, there were no issues with decommissioning the existing plant and connecting users to the Town of Princess Anne system. Additional meetings will be held related to Manokin households.

*As noted, the State of Maryland received two separate and distinct grant awards from HUD. The grants are tracked in the State system as two grants. The obligation of funds under each grant are identified as "Phases." For HUD's purposes, they are using the word "Round" for each Action Plan that is created and grant agreement awarded by HUD to the State. They do not make a distinction between the two grants awards. Thus, they have approved funding for seven rounds as follows:

Round 1	\$4,400,000
Round 2	\$7,578,000
Round 3	\$1,100,000
Round 4	\$3,140,000
Round 5	\$2,350,000
Round 6	\$4,872,000
Round 7	\$ 750,000